

**Great Platte River Road
Memorial Foundation**

**Audit of Financial Statements
For the Year Ended
December 31, 2011**

**BUCKLEY & SITZMAN CPA's
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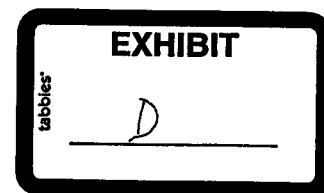


Table of Contents

Independent Auditors' Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to Financial Statements	6 – 11

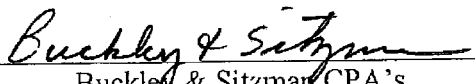
Independent Auditors' Report

The Board of Directors
Great Platte River Road Memorial Foundation

We audited the accompanying statement of financial position of the Great Platte River Road Memorial Foundation (the Foundation) as of December 31, 2011 and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2011, and the results of its activities and cash flows for the year then ended in conformity with the accounting principles generally accepted in the United States of America.


Buckley & Sitzman CPA's

May 29, 2012
Lincoln, Nebraska

Great Platte River Road Memorial Foundation
Statement of Financial Position
December 31, 2011

Assets

Current Assets:

Cash and Cash Equivalents:

Unrestricted--Non-designated \$ 11,294

Unexpired Insurance Premiums 36,845

Inventory 6,314

Total Current Assets \$ 54,454

Land, Structures, Exhibits, Trademarks & Equipment \$ 46,687,056

Less: Allowance for Amortization & Depreciation 20,504,950 26,182,106

Escrowed Funds 69,433

Total Assets \$ 26,305,993

Liabilities and Net Assets

Current Liabilities:

Accounts Payable \$ 40,737

Sales/Use Tax Payable 867

Other Accrued Liabilities 20,978

Total Current Liabilities \$ 62,582

Bonds Payable \$ 20,000,000

Total Liabilities \$ 20,062,582

Net Assets:

Unrestricted--Non-designated \$ 6,243,411

Total Net Assets \$ 6,243,411

Total Liabilities and Net Assets \$ 26,305,993

See Accompanying Notes to Financial Statements

Great Platte River Road Memorial Foundation
Statement of Activities
For the Year Ended December 31, 2011

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Revenues:			
Facility Ticket, Programs & Gift Shop Sales	\$ 679,899	\$ -	\$ 679,899
Contributions/Grants/Sponsorships	93,468	-	93,468
	<u>\$ 773,367</u>	<u>\$ -</u>	<u>\$ 773,367</u>
Total Revenues			
Operating Expenses:			
Facility	\$ 1,083,592	\$ -	\$ 1,083,592
Fundraising	-	-	-
	<u>\$ 1,083,592</u>	<u>\$ -</u>	<u>\$ 1,083,592</u>
Total Operating Expenses			
Net Operating Income(Loss)	<u>\$ (310,225)</u>	<u>\$ -</u>	<u>\$ (310,225)</u>
Non-operating Income/(Expense):			
Depreciation/amortization	\$ (990,497)	\$ -	\$ (990,497)
Interest Expense	(1,732)	-	(1,732)
Interest Income	264	-	264
	<u>\$ (991,965)</u>	<u>\$ -</u>	<u>\$ (991,965)</u>
Total Non-operating Income/(Expense)			
Decrease in Net Assets	\$ (1,302,190)	\$ -	\$ (1,302,190)
Net Assets - Beginning of Year	<u>\$ 7,545,601</u>	<u>\$ -</u>	<u>\$ 7,545,601</u>
Net Assets - End of Year	<u><u>\$ 6,243,411</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,243,411</u></u>

See Accompanying Notes to Financial Statements

Great Platte River Road Memorial Foundation
Statement of Cash Flows
For the Year Ended December 31, 2011

Cash Flows from Operating Activities:	
Decrease in net assets	\$ (1,302,190)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation/amortization	990,497
Decrease/(Increase) in:	
Inventory	2,042
Other Current & Non-current Assets	(17,932)
Increase/(Decrease) in:	
Accounts Payable	20,391
Other Accrued Liabilities	706
Net Cash Used by Operating Activities	\$ (306,486)
Cash Flows from Investing Activities:	
Easement proceeds	\$ 313,125
Purchases of land, structures, exhibits, trademarks & equipment	\$ (14,980)
Net Cash Provided by Investing Activities	\$ 298,145
Cash Flows from Financing Activities:	
Net Cash Provided by Financing Activities	\$ -
Net Decrease in Cash & Cash Equivalents	\$ (8,341)
Cash & Cash Equivalents-Beginning of Year	19,635
Cash & Cash Equivalents-End of Year	\$ 11,294
Supplemental disclosure of cash flow information - Cash paid during the year for interest	1,732

See Accompanying Notes to Financial Statements

Great Platte River Road Memorial Foundation
Statement of Functional Expenses
For the Year Ended December 31, 2011

	<u>Facility</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, Outside Help & Benefits	\$ 369,401	\$ -	\$ 369,401
Advertising	14,431	-	14,431
Insurance	140,348	-	140,348
Professional Fees	8,566	-	8,566
Cost of Sales - Gift Shop & Tickets	193,493	-	193,493
Repairs & Maintenance	74,723	-	74,723
Utilities	153,817	-	153,817
Other	128,814	-	128,814
	<u>\$ 1,083,592</u>	<u>\$ -</u>	<u>\$ 1,083,592</u>

See Accompanying Notes to Financial Statements

Great Platte River Road Memorial Foundation
Notes to Financial Statements
December 31, 2011

(1) Summary of Significant Accounting Policies

The Great Platte River Road Memorial Foundation (the Foundation) was incorporated as a nonprofit corporation on June 14, 1996 to memorialize the history of the Great Platte River Road (the Road) by providing educational materials, facilities, and programs that will demonstrate the Road's significance in the settlement and continuing development of the American West. The Foundation will achieve these goals through the operation of the Great Platte River Road Archway Monument (the Archway). The Archway officially opened on June 9, 2000. A summary of the more significant accounting policies followed by the Foundation is as described below:

(a) Basis of Presentation

The Foundation maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes in accordance with activities or objectives specified by the donors. Separate accounts are maintained for each fund. The financial statements of the Foundation, which have been prepared on the accrual basis of accounting, have been prepared to focus on the Foundation as a whole.

(b) Financial Statement Format

The Foundation reports amounts for its total assets, liabilities, and net assets in a statement of financial position, the changes in its net assets in the statement of activities, and the changes in its cash and cash equivalents in a statement of cash flows.

(c) Net Assets Classifications

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and the changes therein are classified as follows:

Unrestricted - Net assets and contributions not subject to donor-imposed stipulations. Unrestricted net assets include investments designated by the Board to function as endowments and realized gains on investments and interest and dividend income on permanently restricted endowments which are not stipulated for permanent reinvestment by the donor or law. Some unrestricted funds have been designated by the Board for specific uses.

Temporarily restricted - Net assets and contributions subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time. After the donor-imposed time or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported within the statement of activities as net assets released from restrictions.

Great Platte River Road Memorial Foundation
Notes to Financial Statements
December 31, 2011

(1) Summary of Significant Accounting Policies (Cont'd)

(d) Revenue Recognition

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Donor restrictions satisfied within the same year are reported as unrestricted revenues and expenses.

(e) Donations

Donations, including unconditional promises to give, due in future periods, are recognized as revenues in the period received. Donations of cash, property, and equipment received without donor-imposed restrictions are reported as revenues of the unrestricted net asset class.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash and investments with an original maturity of three months or less when purchased.

(g) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Foundation to make estimates and assumptions that affect the reported amount of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(h) Land, Structures, Exhibits, Trademarks & Equipment

Land, structures, exhibits, and equipment are recorded at cost or at fair market value at date of contribution. Depreciation is recorded on a straight-line basis over their estimated lives of the assets beginning on the date the assets are placed into service. The estimated useful lives of the assets are as follows:

- Equipment - 5 years
- Trademarks - 15 years
- Exhibits & Land Improvements - 10 years
- Structures - 39 years

Great Platte River Road Memorial Foundation
Notes to Financial Statements
December 31, 2011

(1) Summary of Significant Accounting Policies (Cont'd)

(j) Functional Expenses

The costs of the activities of the Foundation have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the activities performed.

(k) Revenue Recognition

Revenues are recognized when admission tickets and merchandise are sold.

(l) Inventories

Inventories of gift shop merchandise are recognized at its current cost, which is not significantly different than its original cost.

(m) Sales Tax

Sales taxes collected and remitted are netted in a liability account and only any collection fees are included in income.

(2) Tax Exempt Status

The Foundation is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code (IRC), as an organization described in IRC Section 501(c)(3). Income from activities unrelated to the exempt purpose of the Foundation would be subject to tax at normal corporate income tax rates. The Foundation had no material unrelated business income in 2011. Management believes it is operating in a manner consistent with its tax-exempt status.

(3) Land, Structures, Exhibits, Trademarks & Equipment

Land, structures, exhibits, trademarks and equipment consist of the following at December 31, 2011:

Land	\$ 197,561
Land Improvements	221,702
Structures	36,693,269
Exhibits	8,786,888
Trademarks	295,165
Equipment	492,472
Total	<u>\$ 46,687,056</u>

Land easement proceeds of \$313,125, received in 2011, were used to reduce the net cost of land.

Great Platte River Road Memorial Foundation
Notes to Financial Statements
December 31, 2011

(4) Escrow Funds

An escrow agreement was entered into on July 9, 2003 with the Nebraska Department of Roads (DOR), the Foundation and the Platte Valley State Bank, Kearney, Nebraska (Bank). This agreement calls for a total escrow of \$555,000 be established by payment of \$1,000/month from the Foundation, commencing August of 2003. At December 31, 2011, there was \$69,433 held in this escrow account.

(5) Bonds Payable

Capital Appreciation Bonds payable at December 31, 2011 are summarized as follows:

Bond (Zero Coupon Bond) due September 1, 2012 that bears no interest, except at 8% after the date of default.	\$ 20,000,000
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See Note 9 – Forbearance Agreement.

(6) Designated/Restricted Net Assets

There are no Board designated or donor restricted net assets at December 31, 2011.

(7) Archway Foundation

The Archway Foundation is a non-profit qualified charity that accepts donations for the benefit of this foundation. This foundation had contributions in 2011 from various private and public donors in the amount of \$72,891. This foundation paid \$73,083 to/or for the benefit of the Foundation in 2011.

Great Platte River Road Memorial Foundation
Notes to Financial Statements
December 31, 2011

(8) Lease

The Foundation participates in an operating lease with the State of Nebraska, Department of Roads for the air space over and above Interstate 80. The lease has an initial thirty-year term with an option to renew for two additional ten-year terms.

This lease was amended in 2004, effective January 1, 2003, to change the annual payment from \$19,125 to \$15,300.

Future minimum lease payments under this lease as of December 31, 2011 are as follows:

Year 2012	\$ 15,300
Year 2013	15,300
Year 2014	15,300
Year 2015	15,300
Year 2016	15,300
Thereafter	<u>168,300</u>
	<u>\$ 244,800</u>

Under terms of the lease agreement, additional lease payments may be due and will be derived from a formula based on gross revenues.

Lease expense for this operating lease for the year ended December 31, 2011 was \$ 15,300.

(9) Forbearance Agreement

A forbearance agreement (Agreement) was entered into, effective December 31, 2006, between the bond indenture trustee (Trustee) and the Foundation. This Agreement was a result of the default of the Foundation for failure to make payments, as required, in 2006 and its non-ability to make them in the foreseeable future. Interest payments were also not paid in 2007, 2008 and 2009.

The terms of the bonds payable continue with the trustee's agreed forbearance to not accelerate its rights and remedies in connection with default. There are various conditions to be met by the Foundation for this forbearance to continue.

By order of the Court on December 16, 2010, the Interest-Bearing Bonds were called for early redemption in exchange for certain insurance proceeds of the project and have therefore been cancelled.

The Foundation's 2012 budget is projected, based on expected grants/contributions, to be negative.

Great Platte River Road Memorial Foundation
Notes to Financial Statements
December 31, 2011

(11) Community Volunteers

The surrounding communities are committed to the Archway by having provided approximately 3,680 hours of volunteer services in 2011.